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The President: I want to thank you all for coming this morning. Henry (Kissinger) and Jim (Schlesinger), of course, were here earlier for the Cabinet meeting. This will not really be a substantive meeting, but rather to talk about the procedures we should follow, how often we should meet, and perhaps to focus in a little on subjects we might want to take up. First, I want to say that the Foreign Policy and the Military Policy have been the hallmark of the previous Administration. No Administration in my lifetime ever did better in those fields. I want to congratulate all of you who participated in that for the work which was done. It was a great accomplishment. A good share of my Congressional service was on the Committee on Appropriations, in particular, on the Subcommittees on Defense, Foreign Aid, and as you know, Bill (Colby), on CIA. That service was important not only in a substantive way, but also it enabled me to get to know the people in the Congress who dealt with these matters, also to get to know the military. I want you all to know that I consider the military a very fine group of people. I saw the Chairman of the JCS and the Chiefs, and the working level in the military establishment, frequently. They are absolutely dedicated and we should all be proud of them. [To General Brown] George, I want you to express my feelings to our military personnel. [General Brown assured the President that he would do so.]

The previous system that was used in the previous Administration produced results and I feel that we should continue it. My general view is that if you have a system that works and produces, you should continue it as in the past. I don't have a view, however, on how often we should meet and I would appreciate hearing your views.

Secretary Kissinger: Mr. President, I would recommend that, at the beginning, we meet every two weeks to get a clear picture of the issues and direction of policy. It also would give you an opportunity to get a feel for the thinking of your principal advisors; then later, after perhaps six months, meetings could be less frequent.

The President: I like that idea. It sounds about right to me. What do you think, Jim (Schlesinger)?

Secretary Schlesinger: Sir, I believe that is an excellent idea. We do not want to press heavily on your schedule. However, sir, if you feel that this might have the effect of making your schedule too tight, perhaps every three weeks would be often enough.

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The President: Well, I will just make the time available. I want to meet with this group. So let us plan to meet, at the beginning, every two weeks. Let us program it that way. Are those present today the regular members of the Council?

Secretary Kissinger: Mr. President, these are the statutory members and statutory advisors. The Director of the Office of Emergency Preparedness used to be a member, but that office is now phased out. Actually, it had become less and less involved in the important national security issues. In any event, President Nixon asked Attorney General John Mitchell to be a regular member of the Council and later also asked Treasury Secretary Connally, but these were members designated by him and not statutory members. Others, in addition to the statutory members, can be designated at the pleasure of the President.

The President: Well, in other words, we could have others here depending upon the subject if we want to do so. For now, at least, let's keep it this way. I also would like to have the group use both sides of the table for seating so that we ^{can be} closer together and facing each other as much as possible.

Secretary Kissinger: I also should note, Mr. President, that the Deputy Secretaries of State and Defense are here as well. They are not statutory members, but have usually attended because they have a great deal to do with the implementation of decisions which you may take. Also, in the case of the Deputy Secretary of State, he acts as the representative of the Department of State at the meeting in my stead, since at most NSC meetings I serve at the meeting as your Assistant for National Security Affairs.

Secretary Schlesinger: Mr. President, I would like to be able to bring Bob Ellsworth with me to the meetings in addition to Deputy Secretary Clements.

The President: Well, I have known Bob for a long time. He is your international man. Is that correct?

Secretary Kissinger: One way to decide on the attendance would be to have you decide upon a list of proposed attendees before each meeting.

The President: Yes, I will do it that way. I can see that Bob Ellsworth could be helpful in some situations. On the other hand, I don't suppose that he would be involved in discussions of SALT, for example. So we might have some different attendance depending on the nature of the meeting. I will plan on approving who should come on the basis of a list which I will receive before each meeting.

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Mr. Clements: Sir, I would like to comment on Deputy Secretary Ingersoll's role and my own. We are members of the principal sub-groups of the NSC system. Along with Secretary Kissinger, Mr. Colby and General Brown, we make up the core groups of each of those NSC bodies. All of the staff work within the system is performed under us operating in those bodies. It is in that context that we are here and I find it extremely helpful to me.

Secretary Kissinger: Yes, they have the operational responsibility.

The President: I like to have a staff person at meetings in order that I do not have to call staff in after a meeting and pass on to them all of the discussions and decisions that have been taken, myself. I agree that Secretaries Ingersoll and Clements should be here. They could be helpful in getting decisions implemented. Does anyone have any other comment?

Secretary Schlesinger: Sir, there are two issues I believe you will want to focus on in the National Security Council as a matter of priority. The first involves our nuclear strategy. During the last six months, based from a NSDM approved by Nixon, we have altered the nuclear strategy of the U.S. and our deterrent declaratory strategy. We think it would be very desirable at an early opportunity to discuss this strategy with you. We believe that it enhances our deterrent capability. The second question concerns our armament policy toward Israel. We are under great pressure from the Israelis. They have proposed a very large military aid package. If you are going to decide upon this, it will be a matter which you will probably want to focus on very early as one of the most pressing decisions. The pressure on Defense is extremely great, and they will be putting great pressure on Congress as well. Secretary Kissinger may wish to comment on this.

Secretary Kissinger: I had mentioned this briefly earlier, Mr. President. The Israelis want a five-year commitment of \$1.5 billion per year. Obviously this involves the most profound foreign policy and military policy issues.

The President: Do they want all grant?

Secretary Kissinger: Well, there would be some mix of cash and credit. We must remember, however, that last year the Saudis imposed an oil embargo when we were talking about a package of \$2.2 billion in the middle of a war. Now we are talking about a package of plus \$5 billion. While negotiations are going on this could be a massive problem with the Arabs. There will be, however, great pressures. Jim is right on that. They will be pushing hard; they want authorization from the Congress this year even if they don't get the appropriation.

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The President: What is the status of the \$2.2 billion program? We have committed all of the funds under that program and also have committed the \$300 million plan for FY 1975. They are now in the position of having to decide whether to go on with their military program. They should tap into their own foreign exchange or seek more direct aid from the U.S., and they are pushing for the latter course.

Secretary Kissinger: If you want to avoid the longer term foreign policy issues, which a massive program of this kind would generate, you might make a decision on only one year and at a lower level than they are asking. The impact on the Arabs this year would not be as bad as an agreement for a large package for the long term impact, but we need to relate whatever we do to the on-going process of negotiations. If we can show progress in negotiations, the Arabs can swallow military aid decisions, but if we make military aid to Israel decisions in the context of a stalemate in negotiations, we will have a massive problem.

Mr. Clements: I agree we could have a very serious problem if we are not extremely cautious in dealing with this Israeli aid proposal. We could face another oil embargo.

The President: Thought also has to be given to this Israeli request in the context of the \$250 million request for Egypt. We just have to recognize the political realities on the Hill. Has the Egypt request been submitted yet?

Secretary Kissinger: Yes sir, I believe it is being marked up now.

General Scowcroft: It has been marked up on the House side.

Mr. Clements: We also have to be concerned with the question of Egypt's military needs. That issue could be a serious one.

The President: Well, let us not get involved in that question now. Let us concentrate on getting the economic aid situation straightened out.

Secretary Schlesinger: There is a shorter term problem in the Israeli military aid picture also. They are requesting immediate delivery of much of the material which was in the \$2.2 billion package. They see a possible war as early as November when the UN forces are removed. They consider this a very real threat for which they want to be prepared now. To the extent we provide some of the equipment that they have asked for, we must take it away from the U.S. forces with the result that those forces will be much less ready.

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The President: Do they understand that that is the case?

Secretary Schlesinger: Yes sir, but they consider that their needs take priority.

The President: That certainly is an unselfish attitude.

Secretary Kissinger: We are studying this entire Israeli aid problem in the interagency system and I think we would want to have that study completed for your consideration.

The President: I would like to make that a matter of priority and consider that as a subject for our next meeting in two weeks.

Mr. Marsh: Mr. President, I suggest also at the meeting in two weeks you might like to have a briefing on the various groups that operate within the NSC system.

Secretary Kissinger: I suggest that perhaps I might be able to go over that with you directly, Mr. President, rather than in the format of a meeting.

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The President: Yes, I would like to do that, but I think we can do it directly as you suggest, Henry.

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Gentlemen, if there is nothing else, I suggest we adjourn and I thank you all very much.

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